

Charlestown Mall

Box 32

Document 3

LOAN PROPOSALS

GAETANO ASSOCIATES
FINANCIAL STATEMENTS
AUGUST 31, 1982

533237



GAETANO ASSOCIATES
BALANCE SHEET
August 31, 1982

ASSETS

Cash	8,693
Rents and Accounts Receivable	198,203
Prepaid Expenses	10,717

TOTAL CURRENT ASSETS	217,613
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Rental Property and Equipment	1,599,668
Less: Accumulated Depreciation	(350,257)

NET FIXED ASSETS	1,249,411
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Deferred Mortgage Closing Costs	6,122

TOTAL ASSETS	1,473,146
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LIABILITIES AND EQUITY

Accounts Payable	115,292
Unearned Income	142,255
Accrued Expenses	87,354
Due to Affiliates	68,858
Due to Partner	15,858

TOTAL CURRENT LIABILITIES	429,617
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Mortgages and Loans Payable	785,890
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Partners' Equity	62,756
Current Income (Loss)	194,873
Rounding Difference	10

TOTAL PARTNERS' EQUITY	257,639

TOTAL LIABILITIES AND EQUITY	1,473,146
	=====

GAETANO ASSOCIATES

INCOME STATEMENT

August 31, 1982

	CUR. MON. ACTUAL -----	CUR. MON. BUDGET -----	Y-T-D ACTUAL -----	Y-T-D BUDGET -----
LEASE REVENUE:				
Base Rent	105,934	101,311	793,449	804,669
Billed Utilities	13,024	16,144	131,632	129,152
Billed Taxes	1,129	855	1,547	1,225
Billed CAM Costs	21,479	9,067	82,245	87,404
Billed Repair/Maint.	3,607	0	28,819	0
Percentage Rents	2,393	4,768	36,131	56,298
Other Income	538	1,900	23,029	15,200
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TOTAL LEASE REVENUE	148,104	134,045	1,096,852	1,093,948
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MALL OPERATING COSTS:

Heating(gas)	512	0	76,798	66,000
Electric	24,030	27,000	172,688	192,000
Water	512	2,000	6,819	16,000
Real Estate Taxes	6,666	6,500	53,328	52,000
Travel/Incidental	400	0	2,987	0
Mall Admin. Salaries	3,260	1,200	12,705	9,840
Bldg. Maint. Wages	3,013	4,066	29,030	31,521
Other Wages	1,389	1,206	8,679	9,043
Payroll Fringes	1,726	1,471	14,214	11,768
CAM - Wages	3,422	3,234	23,263	26,934
CAM - Operating Supplies	2,128	953	17,194	13,115
CAM - Security	2,494	2,598	18,361	20,784
CAM - Contracted Out	3,365	3,800	32,929	32,674
CAM - Equip. Leased/Auto	633	463	6,593	3,704
CAM - Other	0	0	43	0
Wharf - Wages	54	0	369	0
Vacation/Holiday Pay	300	0	1,335	1,185
Building Maintenance:				
Material	3,638	3,689	22,041	22,262
Contracted Labor	2,275	1,912	19,320	12,909
Expendable Tools	0	0	0	0
Freight	28	0	103	0
Miscellaneous Expense	0	0	195	0
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TOTAL MALL OPERATING COSTS	59,845	60,092	518,994	521,739
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GAETANO ASSOCIATES

INCOME STATEMENT

August 31, 1982

	CUR. MON. ACTUAL -----	CUR. MON. BUDGET -----	Y-T-D ACTUAL -----	Y-T-D BUDGET -----
ADMINISTRATIVE EXPENSES:				
Partners' Draw-BAG	2,400	2,400	23,400	20,400
Partners' Draw-CG	2,000	2,000	17,000	17,000
Partners' Draw-MJG	0	0	1,500	0
Management Charges	0	0	0	0
Admin. Salaries	8,347	5,600	44,277	43,900
P/R Taxes-FICA	1,415	1,100	10,348	9,130
P/R Taxes-FUTA/SUTA	500	240	6,319	1,920
Workmen's Comp. INS.	250	250	3,648	2,000
Disability Ins.	50	18	417	152
General Ins.	1,653	1,585	12,840	12,680
Other Employee Ins.	882	800	6,265	6,400
Allocated Fringes	(1,726)	(1,471)	(14,214)	(11,768)
Advertising	23,200 ?	2,000	26,580	16,000
Rental Expense	0	0	0	0
Dues and Subscriptions	0	200	232	1,600
Educational Expense	0	100	530	800
Legal	662	500	6,071	4,000
Accounting	500	500	12,267	4,000
Other Prof. Fees	4,434	0	12,988	0
Office Supplies	2,110	500	14,190	4,000
Data Processing	136	100	1,174	800
Postage	407	200	4,229	1,600
Telephone	1,353	1,000	11,477	8,000
Travel and Entertainment	2,308	850	14,839	6,660
Contributions	325	0	480	0
Misc. Expense	0	0	1,564	0
Provision for Bad Debts	0	0	0	0
Interest Expense-ONB	7,143	6,504	61,081	58,314
Interest Expense-MORECO	1,271	1,205	12,880	12,440
Interest Expense-Other	372	453	5,299	4,564
Depreciation	10,443	10,300	83,544	82,400
Amort.-Mortgage Costs	220	220	1,760	1,760
Contract Income	0	0	0	0
Other Income	0	0	0	0
 TOTAL ADMINISTRATIVE EXP	 70,655	 37,154	 382,985	 308,752
 Net income (Loss)	 17,604	 36,799	 194,873	 263,457

TO: Steve Bonsted
FROM: Chris Roller
SUBJECT: Capital expense projects by monthly completion
DATE: April 13, 1983

Listed is the estimated monthly completion for the following capital expense projects.

APRIL

~~Insurance Improvements~~
~~Fire Doors~~

MAY

Rolanes Electrical
Office Sidewalk

JUNE

~~Rolanes Courtyard~~
~~Coating Roofs 4 & 10~~

JULY

Pointing of Buildings
~~Guard Shack Roof~~

AUGUST

Guard Doors

SEPTEMBER

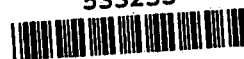
Board up Windows

The heat pumps for OTB and Clubhouse Tavern will depend on renewal of their leases.

CAR/llm

cc: Brian Gaetano
Les Bimson
Larry Poyer

533235



GAETANO ASSOCIATES
CAPITAL EXPENDITURES
1983

	<u>Proposed</u> <u>4/1/83-9/30/83</u>	<u>Proposed After</u> <u>Lease rollover</u>
Construction of Stores:		
Estimated cost of \$10,000 per 3,000 sq. ft. of space.		
40,000 sq. budgeted increase.	\$133,300	\$ 0
✓ Pointing of Buildings (High Exposures only)	30,000	15,000
✓ Heat Pumps (O.T.B. & Clubhouse Tavern only)	21,000	750,000
Coating Roofs 4 & 10	10,000 12,500	0
✓ Office Sidewalks	7,200	0
✓ Fire Doors	6,000	0
✓ Board Up Windows	5,000	16,000
Guard Shack Roof	3,000	0
✓ Electrical Boxes (Rolane)	2,000	0
✓ Insurance Improvements	2,500	0
✓ Guard Doors	750	0
 <u>OTHER PROPOSALS:</u>		
Power Station		200,000
New North Entrance		8,000
Computer System for HVAC		(No Estimate)
Men's Handicap Bathroom		2,500
Receiving Doors		3,000
Security Alarms		8,000
Rolane Courtyard		✓ 18,000
Christmas Decorations		5,000
Totals:	<u>\$220,750</u>	<u>\$1,025,500</u>

CHARLESTOWN:

CAPITAL IMPROVEMENTS:

COMMITTED:

LAKEWOOD	- ROLAND COURT YARD	est	18,000.
LAKEWOOD	- GUARD DOORS	est	750.
OUTSIDE	- COATING ROOFS		12,500.
LAKEWOOD	- FIRE DOORS	est	6,000.
WOODSON X	- HEAT PUMP FOR NEW STORE		7,000.
			<u>\$ 44,250.</u>

APPROVED PROPOSALS:

POINTING OF BUILDINGS	est	30,000.
OFFICE SIDEWALKS	est	7,200.
ROLANDS ELECTRICAL	est	2,000.
BOARD WINDOWS	est	5,000.
		<u>44,200</u>

TOTAL CAPITAL EXPENSES \$ 88,450.00

INFORMATION BOOTH est 5,000.00

93,450.00



GAETANO ASSOCIATES
APPLICATION OF LOAN
AUGUST 18, 1982

TOTAL LOAN RECEIVED

\$150,000.00

APPLIED TO PAYABLES

AMERICAN HARDWALL	\$ 106.50
CHRISTEN, JOHN	87.50
CLEMENTE NOVELTIES	40.50
FEDERAL EXPRESS	31.00
SOFCO	13.10
AGWAY CNG	29.07
→BAREBO INC.	2,492.98
EASTERN ROCK	762.75
→FERRARO LANDSCAPE	684.95
FIRE FIGHTING EQUIP	250.00
→GENERAL ELECTRIC	1,317.59
GREY ELECTRIC	1,284.50
LAKEWOOD CONSTR.	27,360.61
POWER LINE CONSTR.	2,208.91
WEISER, M.R.	7,000.00
→UTICA VALLEY ELECT.	18,733.08

TOTAL TO PAYABLES

62,403.04

BALANCE

\$ 87,596.96

LESS:

C.A.G. CONSTRUCTION

70,000.00

BALANCE UNAPPLIED

\$ 17,596.96

LESS:

RETENTION GORDON HEATING

17,533.60

TOTAL UNAPPLIED

\$ 63.36

533234



GAETANO
DEVELOPMENT
CORPORATION

PROPERTY
MANAGEMENT



GAETANO COMPANY
OF
OGDENSBURG

CHARLESTOWN

Rest

C.G. PROPERTIES

CORNEL ASSOC.

MALL MANAGER

MALL MANAGER

PROPERTY MANAGER

SKILLED
LABOR

DIRECTOR OF
MARKETING

DIRECTOR OF
OPERATIONS

SECRETARY

PROPERTY
OPERATIONS SPT.

SECRETARY

SKILLED
LABOR

UNSKILLED
LABOR

SKILLED
LABOR

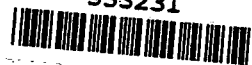
UNSKILLED
LABOR

PART-TIME
SUMMER HELP

- 1 MANAGERS
- 2 DIRECTORS
- 3 SECRETARIES
- 4 SKILLED
- 5 UNSKILLED

GAETANO ASSOCIATES LTD. PARTNERSHIP

533231



GAETANO ASSOCIATES LTD. PARTNERSHIP

Background Information
on
General Partners

BRIAN A. GAETANO - General Partner:

Recognized nationally as a leading authority in the factory outlet mall development field, Mr. Gaetano pioneered the concept of factory outlet shopping in a mall environment. Mr. Gaetano has conducted seminars on factory outlet malls sponsored by "National Mall Monitor" magazine in conjunction with the International Council of Shopping Centers and has been featured in various articles in "Stores", "Venture", and "National Mall Monitor" magazines. He has been regarded as being at the "leading edge" in this business because of his vast knowledge gained while developing the Charlestown mall in Utica, New York, one of the largest factory outlet shopping malls in the country.

As Vice President of Gaetano Realty Corporation Mr. Gaetano has complete operational responsibility for handling over 400 residential apartments as well as numerous commercial developments.

CHARLES A. GAETANO - General Partner:

President of Charles A. Gaetano Construction Corporation (general contractor) and Gaetano Realty Corporation. Mr. Gaetano has extensive experience in both the construction and real estate development fields. Under his direction Gaetano Construction Corporation has been in the general construction business for over 25 years and has been responsible for many multi-million dollar projects throughout New York State. Gaetano Realty has participated in many development/renovation projects including the historic Paul Building in Utica, New York, which houses such tenants as Chemical Bank, Equitable Life Insurance and the Chamber of Commerce offices.

GAETANO ASSOCIATES
CHARLESTOWN MALL - PHASE I
DETERMINATION OF MORTGAGE LOAN VALUE

Cash Flow Before Debt Service		\$620,000
Capitalize Cash Flow at 16%	\$3,875,000	
Loan to Value	x 65%	
Potential Loan Value	<u>\$2,518,750</u>	
Loan Amount Requested	<u>\$2,500,000</u>	
Debt Service - \$2,500,000; 16.5%; 15 Years		<u>451,112</u>
Cash Flow After Debt Service		<u>\$168,888</u>

Financial Ratios:

- | | |
|---------------------------------|-------------------|
| 1. Loan Constant | <u>18.04%</u> |
| 2. Debt Service Coverage | <u>1.37 times</u> |
| 3. Loan To Economic Value Ratio | <u>64.5%</u> |

GAETANO ASSOCIATES
CHARLESTOWN MALL - PHASE I
OTHER FINANCIAL INFORMATION

1. Gross Leasable Area		324,465 sq. ft.
2. Net Leasable Area		278,260 sq. ft.
3. Current Leased Area		207,656 sq. ft.
4. Weighted Average Rent Revenue: (Per Square Foot)		
	1980	\$5.59
	1981	6.51
5. Weighted Average Retail Volume: (Per Square Foot)		
	1980	\$104.16
	1981	104.86

GAETANO ASSOCIATES (CHARLESTOWN)
OPERATING BUDGET
FISCAL 1982

Gross Rental Income:

Base Rent	\$1,216,167
Billed Utilities	193,728
Billed Taxes	2,320
Billed CAM Costs	123,672
Percentage Rent	105,150
Other Income	<u>22,800</u>

Total Revenue:	<u>\$1,663,837</u>
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Operating Expenses:

Mall Operating Costs Direct:	
Utilities	\$434,500
Real Estate Taxes	78,000
Common Area & Building Maintenance	301,752
General Administrative Expenses	<u>228,670</u>

Total Operating Expenses:	<u>\$1,042,922</u>
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<u>Net Available for Debt Service:</u>	<u><u>\$ 620,915</u></u>
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CHARLESTOWN DEVELOPMENT

RENT ROLL - PHASE I

MAY 1, 1982

TENANT	LEASE EXPIRATION DATE	SQ. FT.	MONTHLY RENT	ANNUAL RENT
Adidas	03/27/86	4,068	\$ 2,627.25	\$ 31,527.00
Alling & Cory	11/30/82	1,728	1,872.00	22,464.00
American Thread	11/03/85	2,160	1,523.00	18,276.00
G.H. Bass & Co.	04/30/86	3,888	2,600.00	31,200.00
Bates	04/01/86	3,984	2,573.00	30,876.00
Blue Bell	03/28/84	6,210	2,740.70	32,888.40
Brand Name Fashions	04/30/84	5,352	2,650.04	31,800.48
Camel	02/28/84	2,592	1,890.00	22,680.00
Campus	08/31/84	2,596	1,984.75	23,817.00
Cape Craftsmen	03/31/85	4,320	2,793.03	33,516.36
Carters	02/28/83	11,000	3,575.46	42,905.22
Children's Outlet	02/28/86	3,024	1,827.00	21,924.00
Clubhouse Tavern	01/24/84	2,484	1,586.30	19,035.60
Country Mill	04/25/84	5,434	2,264.16	27,169.92
Edward Joy Company	04/31/83	2,592	2,322.00	27,864.00
Gentlemen's Wear-House	09/12/84	7,848	4,329.20	51,950.40
Gold Mine	03/29/86	878	731.67	8,780.04
Jack Winter	02/28/85	5,600	3,142.40	37,708.80
J.A. Parker	12/31/82	864	738.00	8,856.00
Jewelry Factory	04/30/84	1,728	1,116.00	13,392.00
Kidstop	11/01/86	2,592	1,782.40	21,388.80
Kidsport USA	08/22/84	10,025	4,594.80	55,137.60
Leather Loft	07/31/84	2,592	1,231.68	14,780.16
Leslie Fay	08/31/86	11,340	5,396.25	64,755.00
Mele	10/31/84	1,000	450.00	5,400.00
Miniatures & Masterpieces	05/31/82	844	439.59	5,275.08
Misty Harbor (The Factory Outlet)	09/30/83	1,728	1,296.00	15,552.00
Morning Line	06/01/82	432	375.00	4,500.00
Munsingwear	07/31/84	4,320	1,710.00	20,520.00
Neat Treat	12/31/85	1,000	1,527.00	18,324.00
OTB	10/31/83	5,000	2,125.00	25,500.00
Palm Beach	12/31/84	11,000	5,910.28	70,923.36
Prestige Fragrances & Cosmetics	11/30/82	878	1,518.16	18,218.00
Redwood Forest	03/31/84	1,296	702.00	8,424.00
Revere	04/30/86	3,648	2,660.00	31,920.00
Rolane	08/10/85	20,000	9,916.84	119,002.08
Ship 'n Shore	06/30/84	4,752	1,980.00	23,760.00
Shoe Rack	10/01/86	9,072	6,993.00	83,916.00
Shoe Factory (Quoddy)	08/31/84	3,325	1,385.42	16,625.04
Sure Fit	10/24/84	4,320	2,348.14	28,177.68
Utica Cutlery	02/28/84	1,296	783.00	9,396.00
Utica Duxbak	03/28/84	1,728	1,008.00	12,096.00
Van Heusen	03/28/84	2,898	845.25	10,143.00
Warnaco	08/31/85	10,314	5,507.88	66,094.56
Winona	04/25/84	3,888	1,539.63	18,475.56
Wolverine	05/31/84	3,500	1,933.57	23,202.84
World Bazaar	11/07/85	4,392	3,323.66	39,883.92

RENT ROLL - PHASE I

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TENANT	LEASE EXPIRATION DATE	SQ. FT.	MONTHLY RENT	ANNUAL RENT
Cafe Square:				
Donut Factory	02/28/85			
Fun Food	08/01/82			
Noon Whistle	08/12/84			
Pizza Factory	11/18/84			
Cafe Sq. Total:		2,126	\$ 5,927.15	\$ 71,125.80
Subtotal:		\$207,656	\$120,095.66	\$1,441,147.70
OTHER INCOME:				
Environmental Tech.	Monthly			
Linen Systems	Monthly			
Utica Radiator	Monthly			
Electromark	Monthly			
Total Other Income:			\$ 7,835.00	\$ 94,020.00
GRAND TOTAL:			\$127,930.66	\$1,535,167.70

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

M. R. Weiser & Co.

CERTIFIED PUBLIC ACCOUNTANTS
535 FIFTH AVENUE, NEW YORK, N.Y. 10017

M. R. WEISER & CO.
CERTIFIED PUBLIC ACCOUNTANTS

535 FIFTH AVENUE
NEW YORK, N.Y. 10017
(212) 972-2500

Gaetano Associates

We have examined the balance sheets of Gaetano Associates (a limited partnership) as of December 31, 1981 and 1980 and the related statements of income, changes in partners' equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Gaetano Associates at December 31, 1981 and 1980, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.


CERTIFIED PUBLIC ACCOUNTANTS

New York, N. Y.
February 12, 1982

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

BALANCE SHEETS

DECEMBER 31, 1981 AND 1980

A S S E T S

	<u>1981</u>	<u>1980</u>
Rental property and equipment, at cost less accumulated depreciation of \$266,713 (1981) and \$171,422 (1980)	\$1,147,807	\$ 997,763
Cash	96,027	171,883
Accounts receivable, less allowance for doubtful accounts of \$20,000 (1981) and \$2,800 (1980)	61,757	40,007
Rents receivable	6,658	3,538
Prepaid expenses and sundry receivables	1,796	30,583
Deferred mortgage costs	<u>7,881</u>	<u>10,517</u>
	<u>\$1,321,926</u>	<u>\$1,254,291</u>

LIABILITIES AND PARTNERS' EQUITY

Loans payable	\$ 886,777	\$1,049,193
Accounts payable and other liabilities	321,877	247,341
Due to affiliates	34,658	30,658
Due to partner	15,858	
Partners' equity (deficiency)	<u>62,756</u>	<u>(72,901)</u>
	<u>\$1,321,926</u>	<u>\$1,254,291</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

	1981	1980
Rental and other revenue from tenants	<u>\$1,572,973</u>	<u>\$987,704</u>
Operating and administrative expenses:		
Gas, electricity and water	484,549	170,359
Management salaries	55,100	
Other salaries, payroll taxes and fringe benefits	220,697	207,475
Real estate taxes	70,539	65,041
Maintenance and supplies	108,728	52,171
Security	32,778	28,546
Insurance	40,667	33,040
Telephone	11,752	10,939
Office expenses	13,169	12,073
Professional fees	47,101	27,840
Advertising and tenant promotion	45,511	52,980
Travel, entertainment and miscellaneous	21,800	9,773
Provision for doubtful accounts	17,200	2,400
	<u>1,169,591</u>	<u>672,637</u>
Income from rental operations, before interest, depreciation and amortization	<u>403,382</u>	<u>315,067</u>
Interest	177,363	137,946
Depreciation	95,291	80,116
Amortization	2,635	2,635
	<u>275,289</u>	<u>220,697</u>
Income from rental operations	128,093	94,370
Contracting income (loss) - net	(6,148)	92,389
Loss on disposition of equipment		(20,380)
Interest and other income	13,712	
Provision for loss on amount due from Empire Circuits Inc. (an affiliate)		<u>(230,113)</u>
Net income (loss)	<u>\$ 135,657</u>	<u>\$(63,734)</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 1981 AND 1980

	<u>1981</u>	<u>1980</u>
Cash provided by:		
Operations:		
Net income (loss)	\$135,657	\$(63,734)
Expenses not requiring the current outlay of cash:		
Depreciation	95,291	80,116
Amortization	2,635	2,635
Cost of equipment disposed		20,380
Increase in allowance for doubtful accounts	<u>17,200</u>	<u>2,400</u>
Total cash provided by operations	250,783	41,797
Decrease in prepaid expenses and sundry receivables	28,787	
Increase in accounts payable and other liabilities	74,536	160,502
Proceeds of loans payable	220,230	269,089
Increase in amounts due to affiliates	4,000	
Increase in amount due to partner	<u>15,858</u>	
Total cash provided	<u>594,194</u>	<u>471,388</u>
Cash used for:		
Acquisition of property and equipment	245,335	161,256
Payment of amounts due to affiliates		41,953
Increase in receivables and prepaid expenses	42,069	27,247
Repayment of short-term and other loans	<u>382,646</u>	<u>197,977</u>
Total cash used	<u>670,050</u>	<u>428,433</u>
Increase (decrease) in cash balance	<u>\$(75,856)</u>	<u>\$ 42,955</u>

See accompanying notes to financial statements

GAETANO ASSOCIATES (A LIMITED PARTNERSHIP)

NOTES TO FINANCIAL STATEMENTS

1. General:

The limited partnership was formed April 1, 1979, pursuant to the laws of the State of New York and operates the "Charlestown" property located in Utica, New York.

The statements do not give effect to any assets that the partners may have outside of their interests in the partnership, or to any personal obligations, including income taxes, of the partners.

2. Summary of Significant Accounting Policies:

Basis of Accounting:

The accounts of the partnership are maintained, and the accompanying financial statements have been prepared, on the accrual basis of accounting.

Rental Property and Equipment:

Assets are stated at cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

3. Rental Property and Equipment:

Rental property and equipment, consists of the following:

	December 31,		Estimated
	1981	1980	Useful
			Life in Years
Land	\$ 192,000	\$ 192,000	
Buildings	266,000	266,000	20
Building improvements	882,365	637,030	10-15
Equipment	33,940	33,940	3-6
Furniture and fixtures	28,605	28,605	5-10
Vehicles	11,610	11,610	5
	1,414,520	1,169,185	
Less accumulated depreciation	266,713	171,422	
	<u>\$1,147,807</u>	<u>\$ 997,763</u>	

4. Deferred Mortgage Costs:

The mortgage closing costs incurred in connection with the loan payable to a bank is being amortized, on the straight-line basis over the term of the loan.

5. Loans Payable:

Loans payable consist of the following:

	December 31,	
	1981	1980
Indebtedness to a bank, payable \$15,833 per month (final payment due December 1, 1984), together with interest at 1% above the prime rate, collateralized by a mortgage on the "Charlestown" real property (including parking area) and all personal property attached to or used in connection with the premises and requisite to their operation as a shopping center and manufacturing plant	\$570,000	\$ 760,000
Note payable to Mohawk Valley Rehabilitation Corporation, originally payable \$20,833 per month plus interest at 12%, beginning June 1, 1981, changed to payment of \$10,000 per month, including interest, collateralized by a second mortgage on the "Charlestown" real property	190,537	250,000
Installment note, payable \$400 per month, including interest; final payment due June 1983	7,193	10,199
Note payable to Utica Department of Urban and Economic Development, payable \$956 per month, including interest at 7%, until September 1991	79,047	
Short-term notes payable to bank at \$20,000 per month	40,000	
Amount due in connection with insurance premium financing arrangement		28,994
	<u>\$886,777</u>	<u>\$1,049,193</u>

Maturities of loans payable for each of the five years from December 31, 1981 are as follows:

1982	\$340,932
1983	289,930
1984	196,500
1985	6,800
1986	7,200

CharlesTown Plans to Keep on Growing

By CHET MULLIN

"If we keep moving, we should be able to see it all today," a woman from Albany said to her husband.

She was in CharlesTown U.S.A., a sprawling collection of 38 factory outlets and other shops and restaurants at the eastern edge of Utica that has flourished for the past three years.

And if the Gaetanos' have their way, she soon won't be able to see it all in a day.

The Gaetanos — Charles the patriarch, a Utica contractor and real estate developer, and his son Brian, a general partner in Gaetano Associates, who runs the complex, ultimately have plans to develop 100 stores, restaurants, specialty shops, and maybe even a motel in more than 700,000 square feet of space.

The complex, housed in a refurbished, rambling old mill between Bleeker and Turner streets, has grown steadily from eight stores in March 1979 to 38 factory outlet stores, eight specialty shops, two sit-down restaurants and five fast-food restaurants. In all, there are 53 businesses.

What's new this season?

Brian Gaetano said work on the lagoon — a pond originally used for fire protection — will be complete. A wharf currently is being built around it and the pond has been stocked with Japanese Koi, a type of fish.

In mid-June, there would be evening concerts on the wharf, Gaetano said. Engineers currently are working on a system to allow the lagoon to be frozen next winter for family ice skating, he said.

Plans to create a 100-unit motel in the complex are still in the works, but have been slowed pending more studies and high interest rates, he said.

The economy also has slowed the addition of new outlets, Gaetano said. "Most large industries have put plans for opening outlets on hold, until the economy turns around," he said.

The latest store to open is supplied by Camel, a manufacturer of tents and camping equipment, he said.



BRIAN GAETANO

But the Gaetanos are still out there pushing and expect to reach their goal.

IT ALL STARTED after they bought the mill, last used by Sperry UNIVAC, and turned a section into dormitory-style living quarters for area college students, who were faced with a lack of apartments and dormitories to meet their budgets.

In April 1978, Charles Gaetano unveiled plans to turn part of the complex into a center for factory outlet stores.

Right from the start, the Gaetanos said they wanted the complex to attract tourists to the area not to detract from area businesses, but to add to the flow of visitors to the Mohawk Valley.

The younger Gaetano, who is in charge of the development, said last week that 1,500 tour buses stopped at CharlesTown in 1981, in addition to motoring visitors from throughout the Northeast and Canada and from other parts of the country.

If that sounds like a lot of people — he estimated between 1.5 and 2 million people — Gaetano said that Reading, Pa., draws 9,000 tour buses each year. Reading has a variety of factory outlet stores scattered throughout the city, not under one-roof like CharlesTown, he said.

Managers of Reading's program were "amazed we attracted 1,500 in three years. They felt it would take five to seven years," he said.

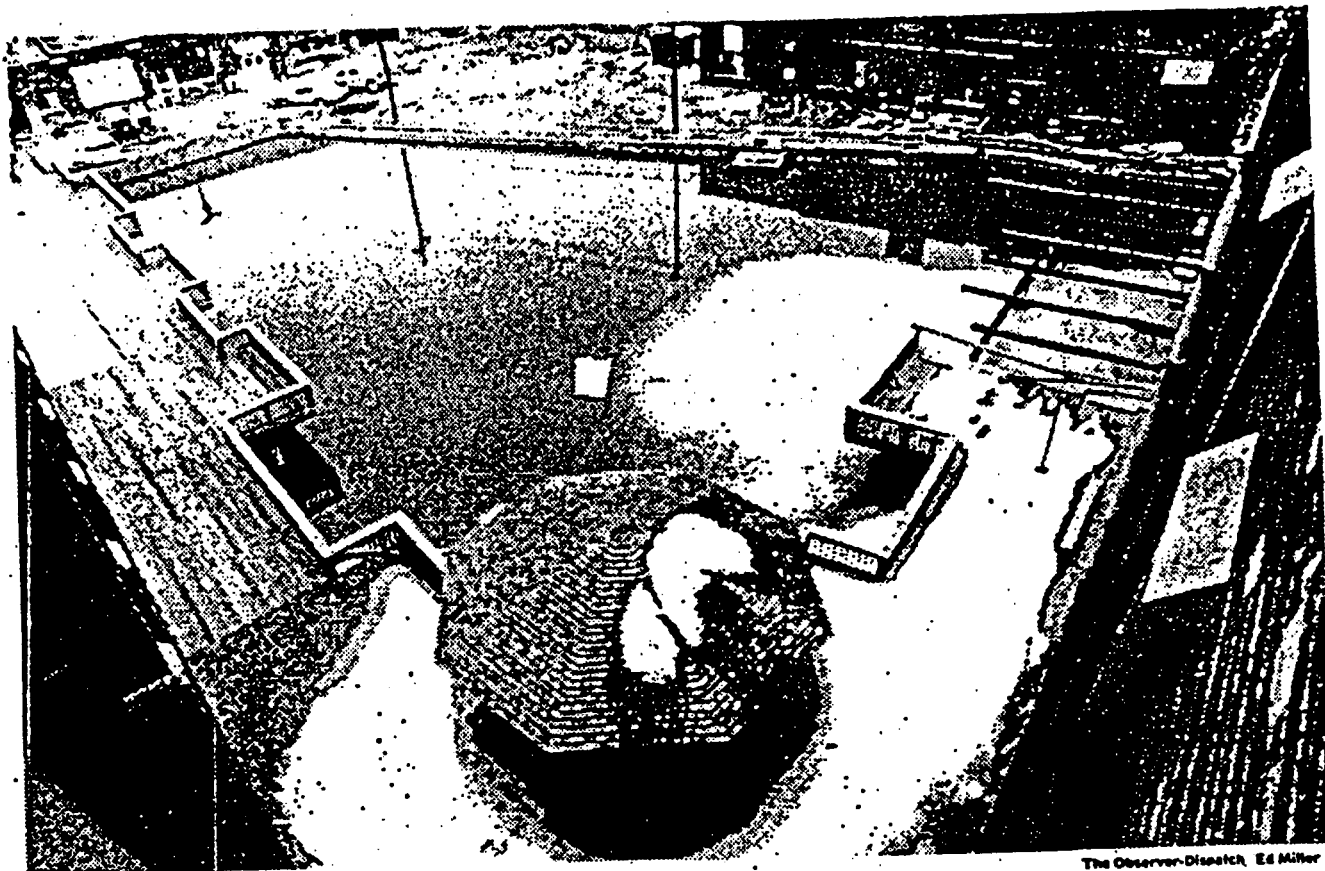
Gaetano, who said his goal was to hit 9,000 tour buses a year, cited CharlesTown's marketing efforts to attract visitors to the area.

The firm was cited last week by the Syracuse-based Central New York Chapter of the Advertising Marketing Association, which awarded CharlesTown the 1982 Marketing Excellence Award.

CharlesTown has consistently maintained an aggressive advertising campaign, besides spending "hundreds of thousands of dollars" — Gaetano declined to be more specific — he said the firm's promotions director, Peter Falzarine, is on the road most of the time attending conventions of tour brokers in this country and Canada.

"At these conventions tour brokers get the opportunity to see what attractions an area has," said Gaetano. "We're not just selling CharlesTown. We're selling the whole area."

THE CURRENT tours are really day and overnight shopping trips booked by brokers from Ohio, Pennsylvania, New York City, Massachusetts, the rest of New England and Canada, he said.



The Observer-Dispatch Ed Miller

SLEEPY LAGOON — Work is proceeding on the wharf that will surround the lagoon at CharlesTown. Plans are to have evening concerts this summer with bands playing in the gazebo, located in the foreground.

The area needs a professional Convention and Tourism Bureau to expand the effort, he said. "We're almost like a one-man show," Gaetano said, citing the need for a strong bureau.

But CharlesTown keeps attracting people. Gaetano said that the peak times are August through November, with August drawing people for back-to-school shopping and November for pre-Christmas shopping.

During those two boom months, 4,000-4,500 people a day visit the complex, he said.

CharlesTown tries to keep abreast of what people want, Gaetano said. A survey of 8,000 visitors indicated 63 per-

cent wanted a sit-down restaurant, so CharlesTown opened one, he said.

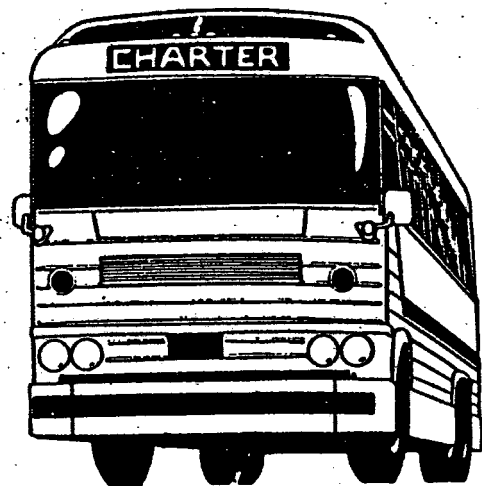
People complained about the lack of signs both in the building and in the area, Gaetano said. They wanted better directions to CharlesTown and around the shopping complex, once there, he said. Color-coded signs have been placed throughout the building and there is a tourist information center. Other directional signs have been mounted on outdoor advertising.

The good news is that 93 percent of the people surveyed said they would return.

Largest center of its kind in America!

And growing every day. Outlets are constantly opening, new services are constantly added on.

You might think such a huge complex would be easy to get lost in, but that's not the case. Everything is color coded, and maps and guides are available to get you where you want to go.



Many organizations schedule regular shopping trips to CharlesTown. With our ample parking, eating, fitting and restroom facilities, we are well able to handle large groups. Many manufacturers amassed under one roof means less time traveling, more time to shop and save.

For help in organizing a shopping trip, call ...

(315) 724-8175

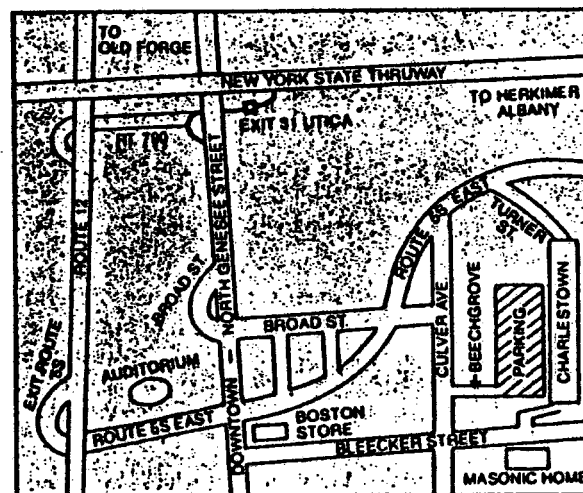
...and ask for the Sales Promotion Coordinator

A beautiful way to spend your day.

Start out by shopping for great values. Then, have lunch at any of seven eateries. In the afternoon, refresh yourself with fun and excitement—from balloons and clowns to chamber music, bluegrass and folk. There's something going on every weekend. So come on down and do it up!

8 Minutes from the Thruway.

To get to Charles Town, take New York Thruway Exit 31 over bridge to downtown Utica, onto Broad Street, at third light take left onto Route 5S East, 1¼ miles to Turner Street Exit.



CharlesTown

39 famous factory outlets under one incredible roof.

Open April 1 until Dec. 31, Mon., Tue., Wed. 10 a.m. to 5 p.m., Thurs., Fri., Sat. 10 a.m. to 9 p.m. Sun. 12 to 5 p.m. Open Jan. 1 until March 31, Mon., Tue., Wed., Thurs. 10 a.m. to 5 p.m. Fri. 10 a.m. to 9 p.m., Sat. 10 a.m. to 5 p.m. Sun. 12 to 5 p.m. Closed—Christmas Day, New Years Day, Easter, July 4th, Thanksgiving.

39 FAMOUS FACTORY OUTLETS UNDER ONE INCREDIBLE ROOF.



YOU'LL BE RICHER FOR THE EXPERIENCE.

CharlesTown

39 famous factory outlets under one incredible roof.

Utica—New York Thruway Exit 31, over bridge to downtown Utica, onto Broad Street, at third light take left onto Route 5S East, 1¼ miles to Turner Street Exit.

Open April 1 to December 31, Mon., Tue., Wed. 10 a.m. to 5 p.m., Thurs., Fri., Sat. 10 a.m. to 9 p.m. Sun. 12 to 5 p.m. Open Jan. 1 until March 31 Mon., Tue., Wed., Thurs. 10 a.m. to 5 p.m., Fri. 10 a.m. to 9 p.m. Sat. 10 a.m. to 5 p.m. Sun. 12 to 5 p.m. Closed—Christmas Day, New Years Day, Easter, July 4th, Thanksgiving.

Call (315) 724-8175 for information anytime, any day.

Everything from designer fashions to household needs. All 25% to 60% off.

CharlesTown in Utica. A 750,000 square foot brick and mortar testimonial to the power of factory direct retailing. CharlesTown in Utica. The largest collection of factory outlets under one roof in America. A roof covering 13 connected buildings—at one time a firearms factory, later a Univac plant, now a bustling shopping complex attracting more than 30,000 people a week.



Charles Town features 39 factory outlet stores selling everything from famous name men's and women's wear to household needs and the finest diamonds. All top-of-the-line merchandise at inflation-beating savings up to 60%.

Yet CharlesTown is more than just a great place to shop. There's entertainment, too, and plenty of it—absolutely free. In fact, hardly a day goes by when something colorful and exciting isn't happening.

And you'll find many eating establishments at CharlesTown, intended to suit every taste and budget—from donuts to pizza. Plus intimate

hideaways with good spirits and good company.

Shop CharlesTown in Utica. You'll be richer for the experience.



Factory Outlets... all offering 25-60% off

Addidas Outlet... Athletic footwear and athletic clothing.

A Paper Place... Paper supplies, office supplies, desk accessories.

American Factory Yarns... Knitting and rug yarns, crafts and threads.

Bass Shoe Factory Outlet... America's leading manufacturers of quality men's and women's footwear.

Bates Mill Stores... Direct mill outlet of woven bedspreads, bed and bath accessories.

Bedspread Factory... Manufacturer of bedspreads, comforters, and furniture covers.

Blue Bell... Major manufacturer. Jeans, sportswear, kidswear.

Brand Name Fashions Outlet... Division of Manhattan men's and women's apparel.

Campus Outlet... Men's and boys' clothing, sportswear and outerwear.

Cape Craftsmen, Inc.... Early American decorative items.

Carters... Nationally famous brand children's wear, from newborn to girls' size 14 and boys' size 14.

Children's Outlet... Nationally advertised infants', toddlers', children's clothing to 18 years.

Clothes Hound... Palm Beach clothing, Eagle & Pierre Cardin shirts, Evan-Picone & Austin Hill ladies sportswear.

Cosmetic and Fragrance Outlet... Nationally famous maker of women's and men's cosmetics and fragrances.

Country Mill... Contemporary junior and misses' sportswear and dresses. Sizes 5-13, 6-18.

Edward Joy Lighting Outlet... Nationally known maker of lamps, lighting fixtures and electric supplies.

Gentlemen's Wear-House Factory Outlet... Nation's leader in men's suits, sport coats and slacks.

Jewelry Factory... Costume, gold filled, sterling silver jewelry.

J.W.I.... Division of Jack Winter featuring misses' and petite sportswear.

Kidsport U.S.A.... Leading brand children's clothing, infants', toddlers', boys' to size 8 and girls' to size 14.

Kidstop... Leading maker of infants, junior boys and girls 7 to 14 children's clothing.

Leather Loft... America's leading leather apparel manufacturer. Men and women.

L.F. Outlet... Division of Leslie Fay—dresses and sportswear for misses, juniors and half sizes.

Little Red Shoe House Factory Outlet... Dress, casual, work shoes, boots.

Mele Factory Outlet... Jewelry cases, jewel boxes, musical boxes and giftware.

The Outlet Store... Nationally famous maker of women's and men's rainwear.

Mountain Camper Outlet... Nationally famous maker of tents, outdoor wear and supplies.

Munsingwear Factory Outlet... Men's and boys' sportswear and underwear, Vassarlette lingerie and foundations.

Paul Revere Shop... Copper and stainless cookware, tea kettles, kitchen gourmet items.

Quoddy Moccasin Factory Outlet... Famous brand footwear for men, women and children.

Rolane... CharlesTown's largest famous brands outlet with eight departments: Hosiery for the family, men's-women's sportswear, a new handbag/luggage department, men's shoes, candy and books. World's largest manufacturer of hosiery, apparel and other products.

Ship 'N Shore Factory Outlet... America's most popular ladies' brand of shirts, knits and sportswear.

The Shoe Rack... Three shoe stores in one—featuring men's shoes, Nettleton and other famous brands, Nike/athletic shoes, Kangaroo and Pony footwear and women's shoes featuring brand name traditional and contemporary fashion and casual footwear.

Utica Cutlery Factory Outlet Store... Stainless flatware, household and professional knives and gift items.

Utica Duxbak... Fine values in outdoor and hunting clothing, seconds and closeout styles.

Van Heusen Outlet... Men's dress and sport shirts, sweaters, and other men's apparel.

Warnaco Factory Outlet... Famous name men's, women's and children's apparel. All at half suggested retail price.

Winona Knitting Mills Factory Outlet... Men's, women's knitted and double knit outerwear, cardigans, and turtle-necks.

World Bazaar... Wicker furniture, accessories, baskets and imports.

Specialty Shops

Garden of Eden... Large, delicious selection of dried fruits and nuts.

Gold Mine... Gold-necklaces, bracelets, rings and more: 10, 14, 18 karat.

Miniatures & Masterpieces... Dolls, doll houses, miniatures, art gallery and gifts.

Morning Line... Track programs and newspapers.

Candy.
Neat Treat... Homemade candy, candy making supplies, fudge.

Off-Track Betting... Many tracks represented.

Parker and Co.... Scrimshaw, knives, stencilling, sterling, birds, duck decoys.

Redwood Forest... Hand crafted home furnishings of California redwood. Custom work.

Restaurants

Clubhouse Tavern I... CharlesTown's unique lounge.

Charlie G's... Simply the very best luncheons, dinners and cocktails. Banquets available for 2 to 222 people.

Fast Food

Donut Factory... Donuts, coffee, breads, rolls, cookies, danish and muffins.

Fun Food... Popcorn, caramel corn, ice cream, other treats.

Noon Whistle... Hamburgers, hot dogs, fries, sandwiches plus breakfast specialties.

Pizza Factory... Featuring pizza, meatball, sausage and eggplant subs.

CharlesTown

FACTORY OUTLETS CENTER

A GAETANO ASSOCIATES DEVELOPMENT • 311 TURNER STREET, UTICA, NEW YORK 13501 • 315-724-8175

Gentlemen:

Gaetano Associates is currently seeking to re-finance the Charlestown Mall in Utica, New York. With over 300,000 gross square feet, this unique facility contains 39 outlet stores as well as various other specialty shops and restaurants under one roof surrounding an outdoor courtyard with floral gardens. Since the inception of Charlestown in 1979 Gaetano Associates has continually improved and developed the property including the new wharf boardwalk complete with a gazebo, cafe garden restaurant and lighted sound stage. Future plans call for the possible development of a motel and mini-convention facilities.

In order to accomplish these objectives the existing short-term debt structure must be modified to allow for future expansion. We are asking you to participate in this successful and proven development project by committing to a first mortgage loan in the amount of \$2,500,000 to be amortized over a 15 year period.

Attached you will find a complete financial analysis of the Charlestown Mall and other relevant material. If you should have any questions with regard to this information, we would be happy to answer them at your convenience.

We wish to express our appreciation for the opportunity to present this proposal for your consideration and look forward to your participation with us in the future of Charlestown.

Sincerely,

By:
Brian A. Gaetano
General Partner
Gaetano Associates

533232



BAG:fmh
encs.

CharlesTown

FACTORY OUTLETS CENTER

Color Coded Directory

CharlesTown is color coded using colored plastic panels, hanging from the ceiling and in passageways of all hallways. The colors tell you what hallway you're in.

Key
M—Men's Room
W—Women's Room
E—Exit
S—Stairs

First Floor

Orange Hallway

- 1. Information Center
- Food Area**
- 2. Donut Factory
- 3. Noon Whistle
- 4. Leisure Times
- 5. Pizza Factory
- 6. Boss's BBQ
- 7. Fun Foods
- 8. Garden of Eden
- Factory Outlet**
- 9. Carter's

Yellow Hallway

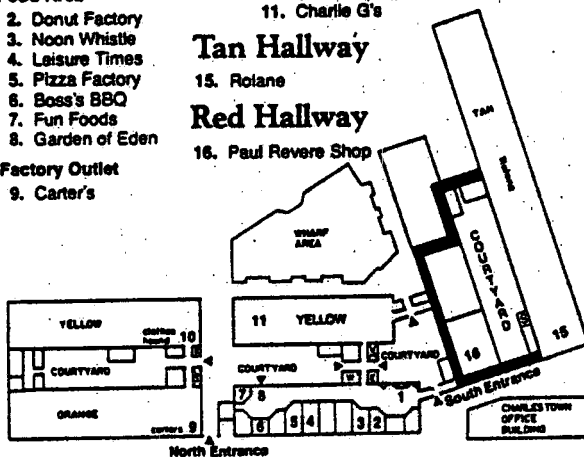
- Factory Outlets**
- 10. Clothes Mound
- 11. Charlie G's

Tan Hallway

- 15. Rolane

Red Hallway

- 16. Paul Revere Shop



Second Floor

Orange Hallway

- Factory Outlets**
- 1. Van Heusen Outlet
- 2. Utica Cutlery
- 3. Utica Oxbak
- 4. Little Red Shoe House
- 5. Mele
- 6. Winona Knitting
- 7. The Children's Outlet
- 8. Quoddy

Yellow Hallway

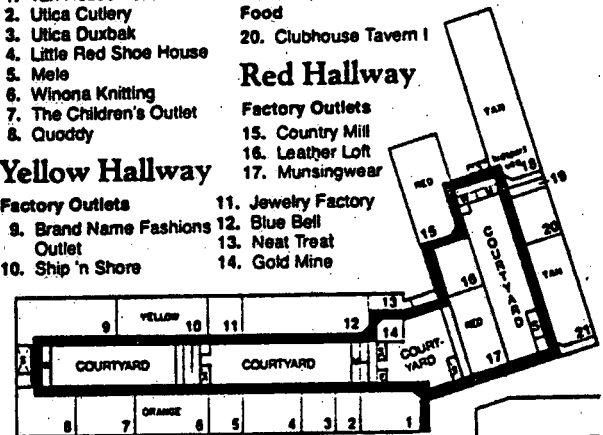
- Factory Outlets**
- 9. Brand Name Fashions Outlet
- 10. Ship 'n Shore

Tan Hallway

- Factory Outlet**
- 18. Kidsport USA
- Food**
- 20. Clubhouse Tavern I

Red Hallway

- Factory Outlets**
- 15. Country Mill
- 16. Leather Loft
- 17. Munsingwear
- 11. Jewelry Factory
- 12. Blue Bell
- 13. Neat Treat
- 14. Gold Mine



Third Floor

Orange Hallway

- Factory Outlets**
- 1. Bedspread Factory
- 2. The Shoe Rack
- 3. Gentlemen's Wear-House*

Tan Hallway

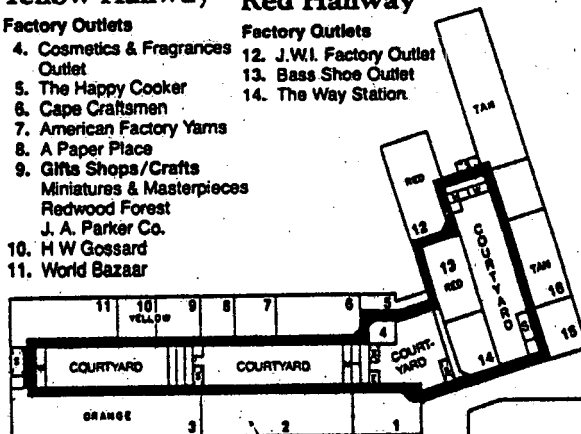
- Factory Outlet**
- 15. Bates Mill Store
- 16. The Kids Stop

Yellow Hallway

- Factory Outlets**
- 4. Cosmetics & Fragrances Outlet
- 5. The Happy Cooker
- 6. Cape Craftsmen
- 7. American Factory Yarns
- 8. A Paper Place
- 9. Gifts Shops/Crafts Miniatures & Masterpieces Redwood Forest
- 10. J. A. Parker Co.
- 11. H W Gossard
- 11. World Bazaar

Red Hallway

- Factory Outlets**
- 12. J.W.I. Factory Outlet
- 13. Bass Shoe Outlet
- 14. The Way Station



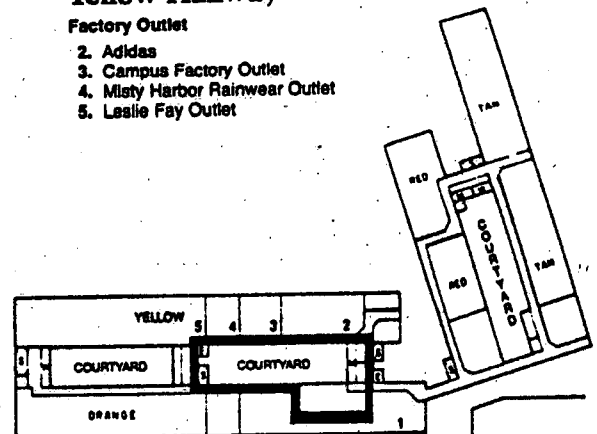
Fourth Floor

Orange Hallway

- Factory Outlet**
- 1. Warnaco Factory Outlet

Yellow Hallway

- Factory Outlet**
- 2. Adidas
- 3. Campus Factory Outlet
- 4. Misty Harbor Rainwear Outlet
- 5. Leslie Fay Outlet



Alphabetical listing of stores, with color of hallways and floor for quick reference

Adidas, Yellow Hallway, Fourth Floor
American Factory Yarns, Yellow Hallway, Third Floor
A Paper Place, Yellow Hallway, Third Floor
Bass Shoe Factory Outlet, Red Hallway, Third Floor
Bates Mill Stores, Tan Hallway, Third Floor
Bedsread Factory, Orange Hallway, Third Floor
Blue Bell, Yellow Hallway, Second Floor
Boss's BBQ, Orange Hallway, First Floor
Brand Name Fashions Outlet, Yellow Hallway, Second Floor
Campus Outlet for Men & Boys, Yellow Hallway, Fourth Floor
Cape Craftsmen Inc., Yellow Hallway, Third Floor
Carter's, Orange Hallway, First Floor
Charlie G's Restaurant, Yellow Hallway, First Floor
Children's Outlet, Orange Hallway, Second Floor
Clothes Hound, Yellow Hallway, First Floor
Clubhouse Tavern I, Tan Hallway, Second Floor
Cosmetics and Fragrances Outlet, Yellow Hallway, Third Floor
Country Mill, Red Hallway, Second Floor
Donut Factory, Orange Hallway, First Floor
Fun Food, Orange Hallway, First Floor
Garden of Eden, Orange Hallway, First Floor
Gentlemen's Wear-House, Orange Hallway, Third Floor
Gold Mine, Yellow Hallway, Second Floor
H W Gossard Factory Outlet, Yellow Hallway, Third Floor
Happy Cooker, Yellow Hallway, Third Floor
J. A. Parker Co., Yellow Hallway, Third Floor
Jewelry Factory, Yellow Hallway, Second Floor
JWI, Clotheswork, Red Hallway, Third Floor
Kidsport USA, Tan Hallway, Second Floor
Kid Stop, Tan Hallway, Third Floor
Leather Loft, Red Hallway, Second Floor
Leisure Times, Orange Hallway, First Floor
Leslie Fay Factory Outlet, Yellow Hallway, Fourth Floor
Little Red Shoe House Factory Outlet, Orange Hallway, Second Floor
Mele Factory Outlet, Orange Hallway, Second Floor
Miniatures & Masterpieces, Yellow Hallway, Third Floor
Morning Line, Tan Hallway, Second Floor
Munsingwear Factory Outlet, Red Hallway, Second Floor
Neat Treat, Yellow Hallway, Second Floor
Noon Whistle, Orange Hallway, First Floor
Off Track Betting, Tan Hallway, Second Floor
Pizza Factory, Orange Hallway, First Floor
Quoddy Moccasin Factory Outlet, Orange Hallway, Second Floor
Redwood Forest, Yellow Hallway, First Floor
Paul Revere Shop, Red Hallway, First Floor
Rolane, Tan Hallway, First Floor
Ship 'n Shore Factory Outlet, Yellow Hallway, Second Floor
The Shoe Rack, Orange Hallway, Third Floor
Utica Cutlery Factory Outlet, Orange Hallway, Second Floor
Utica Duxbak, Orange Hallway, Second Floor
Van Heusen Outlet, Orange Hallway, Second Floor
Warnaco Factory Outlet, Orange Hallway, Fourth Floor
The Way Station, Red Hallway, Third Floor
Winona Knitting Mills Factory Outlet, Orange Hallway, Second Floor
World Bazaar, Yellow Hallway, Third Floor